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JAPAN

PROBLEMS OF POPULATION DECLINE

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* Birthrate Continues Decline, Presents Problems

* MHW Population Report

902A0125A Tokyo ASAHI JOURNAL in Japanese
2 Mar 90 p 43—FOR OFFICIAL USE ONLY

[Article by Toshiyuki Seriizawa]

[Text] It is natural for children to become insignificant in a modern society which treats life lightly. This is not just a problem caused by the social progress of women.

According to "Population Vital Statistics (Annual Projections)," which is published by the Ministry of Health and Welfare [MHW], the number of children born last year was 1,243,000. This number is the lowest since 1899 (Meiji 32), when these records began to be kept. In addition, this is the lowest continuous record over a 10-year period.

All sorts of approaches to understanding this persistent trend toward a low birth rate have been made up to now. The one most commonly expressed at this time is the view that this result reflects the social progress of women.

A report published in this journal (the 26 January issue), entitled "The Coming 'Childless Society,'" is also an article written in accordance with the line that this reflects the social progress of women.

The report states, "Businesses are not inclined to alter their labor practices, which take as a basic premise that a wife's place is exclusively in the home. Examples of working women who are postponing childbirth or rejecting children outright are beginning to become noteworthy in number." The atmosphere in the work place is such that when working women are compelled to choose between work or childbirth, they have to choose work.

The (national) government also holds this perception and is taking the position of requesting that businesses change their labor practices and working conditions to create an environment to accompany the social progress of women, including child care services and expansion of the child care leave system.

However, even though creating such an environment is a necessary condition so that working women will not postpone childbirth, it is not a sufficient condition. This condition makes possible both work and childbirth. A woman is no longer forced to choose between work and childbirth. However, what if, in spite of that, women reject childbearing itself? We will end up with an environment prepared at great cost which no one uses. As cited in the report, the examples of rejection of children themselves are increasing.

The report picks up the expressions of housewives to "articulately" explain the reasons for not producing children: 1) From an economic standpoint, the costs of education are becoming enormous; 2) Although it would

be a joy to have children, the children would have a wretched existence in present-day Japan, such as the examination struggle; 3) Having a family and staying home just because one is a woman is intolerable; 4) It is physically painful; 5) The assistance of one's husband cannot be expected.

"I see," one thinks. Although one thinks one sees, one still wonders at the same time if these explanations are too rational. This is because [issues of] gender are expected to be more irrational. One would think that is the case. When gender [sex] is incorporated in rational thought, it is natural for the longing just to bear children or the desire to form a family to be rejected as irrational behavior.

What can be understood by glancing at the yearly changes in the vital statistics is that the percentage of deaths has risen above the percentage of marriages these past few years. Moreover, the gap is slowly but steadily widening. Such a phenomenon, if one can speak intuitively without evidence, conveys the fact that in present-day Japanese society, Thanatos (the impulse for death) is greater than Eros (the impulse for life). In other words, the anti-life orientation of Thanatos, which is a rational orientation, is stronger than the irrational orientation of Eros. For a society that prefers Thanatos to increase its number of children would be abnormal.

One more thing, I would like to point out the factors producing "the childless society." That is the appearance of a type of family which I arbitrarily call "the super-Eros family." If we were to call the type of family up to now, which has stressed the harmonious unity of husband and wife, "the Eros family," the super-Eros family can be defined as a relationship in which the husband and wife emphasize the other party. Hence, when housewives have insisted of late that they cannot endure being relegated to the home because they are women and receive their husband's approval of that demand, this is a super-Eros family at work, one in which the husband and wife first take into consideration the other party and their independence. When a family discloses strong mutual feelings about the other party, children will only be seen as insignificant.

* 'Childless Society' Looms

902A0125B Tokyo ASAHI JOURNAL in Japanese
26 Jan 90 pp 14-18—FOR OFFICIAL USE ONLY

[Article by ASAHI SHIMBUN reporter Mieko Takenobu]

[Text] A "Japan Inc." Which Disregards Children

The number of children is becoming less. Women advancing into the work place are beginning to abandon and even reject the idea of having children in the midst of a severe working environment. Demographic experts are worried that if the situation continues, it will have a large impact on society. However, be that as it may, what will

children mean for us? We want to consider that from three perspectives. (Editorial Department)

The birthrate is falling. In "The Population Vital Statistics" for last year, which was published at the beginning of this year, the birthrate remained at its lowest record and this has continued over a 10-year period. Although this is an era when the vast majority of women who are married are working, the time to bear and rear children is virtually left to their discretion. Businesses are not inclined to alter their labor practices, which take as a basic premise that a wife's place is exclusively in the home. Examples of working women who are postponing childbirth or rejecting children outright are beginning to become noteworthy in number.

Miss Yoshishige Nakamura, who is in her fourth year at Waseda University, is in the process of compiling an information newsletter for female students seeking employment opportunities. In the course of doing this, she heard over and over again from female Waseda graduates who were employees of major companies about the working conditions for a woman with children.

Many of the women working at banks responded that the working atmosphere did not protect motherhood. "Women are thought of as spoiled. This thinking is to the disadvantage of those who will follow us. Therefore, we do not hesitate in our preference for work over child rearing." Even in the distribution industry, where conditions are relatively advanced, many of the answers were that time spent outside work was being used to enhance their careers through such projects as taking courses. This is a sign that they had no room to fit in "children."

Businesses Keeping Pregnant Women at a Distance

While working women are increasing, the percentage of married women giving birth continues to drop from 6.2 percent in 1971 to 3.8 percent in 1985.

Mrs. Masako Fuse (age 30), a reporter for a broadcasting company, fits this mold. She has been married for seven years. Although she has thought at times about having children, she has not set this as a goal. Each day she hesitates, a little more, about just devoting herself to her work. Mrs. Fuse feels from personal experience that "the circumstances are moving forward in a way that it 'could be done,' but that may be nothing more than well-meant social talk." Of course, there is maternity leave, which is set by law, but this is a work place in which even though just one person is on leave, the workload of her fellow employees is increased. One has to be bold to take maternity leave. Moreover, there is no prospect for child care after giving birth.

At present, she has two colleagues who made up their minds to give birth and are working although pregnant. One has the guarantee that "her parents will come to see her" [after childbirth]. The other concedes that "it will be a gamble after the child is born." It is necessary that there be a child care leave system, that will serve in a

pinch, and, at present, female employee associations are working out a policy to demand such a system.

Mrs. Kuse bitterly smiles, "When I go to a bookstore, there are all the childrearing magazines adorned with pretty pictures. It seems to be the fashion for today's young women to still yearn to have children. But it is more difficult to manage." Both of her colleagues who decided to have children are "talented and attractive people who could do anything." Raising children is looked at as "an art with a high degree of difficulty" which these talented people decide to do.

This does not mean that previously working women have not opted for their career over having children.

Mrs. Yumiko Shono (pseudonym, age 45), who is in charge of accounting in a certain business, underwent sterilization in her twenties. At the time, Mrs. Shono, who was a clerk for a major electrical appliance manufacturer, was married to a man who was a computer technician, and was pregnant. Her morning sickness was harsh, and she continued to suffer from nausea during her hours at work. The firm had about 100 female employees out of a work force of 3,000. This was an era when the number of married women who were working for the firm were no more than three or four, including Mrs. Shono, and the atmosphere was not conducive to taking leave for morning sickness.

The first time she had a miscarriage. When she became pregnant a second time, Mrs. Shono thought there is a limit to this. As an adult worthy of respect, she did not want to stop earning a part of what she consumed. Effective contraception techniques and knowledge were not generally widespread. Her husband understood her complaint and told her to do it [sterilization] if she felt it best.

Mrs. Shono smiles, "I do not have any regrets, but thinking about it now, it may have been an indiscretion of youth." She went on to say that if at the time, there had been an atmosphere in which it would not have been unnatural for a woman to bear children and work at the same time, she might not have dared to go so far.

She said, "When the rumors spread in my work place that I had undergone the operation, I said, 'I have to take care of my own body first.' I really had a hard time, since it was said that I was a selfish woman who placed herself ahead of a child."

Mrs. Shono thinks that companies have made improvements in these areas as the number of female employees have increased. There are even companies that have systematized maternity leave and give leave for morning sickness. In the 1989 "Female Work Force White Paper," the number of organizations with child care leave systems rose to 19 percent. In spite of that, Mrs. Shono doubts that the actual situation has changed all that much.

This is because the actual situation is that with many firms, "this system is extremely difficult to use even though it exists."

Mrs. Uyako Ishikawa (pseudonym, age 31), who is working for a Tokyo financial organization, is currently on child care leave. Mrs. Ishikawa, who is a university graduate, led the way in the introduction of laws granting men and women equal employment opportunity and, being treated as the equal of the male employees, performed in such a way that she was a candidate for an executive position. In due course, she married, gave birth to two children, and called her superior about taking child care leave.

She said, "Since I have had a career up to now, I am somewhat concerned. When I return, I will have to learn my job from scratch. When one of my children becomes sick, I will have to stop and use the telephone. This will have an impact on my morale. Working overtime anytime is a normal business practice for me. The need for additional members of the work force is a reason for devising child care leave and a reemployment system."

Mrs. Ishikawa adds that at this time, the number of managers from branch manager on down who have been persuaded to allow women to quit early if they desire is increasing. Mrs. Ishikawa guesses that in the midst of the wave of financial liberalization, firms are welcoming young single women who are easy to train in order to cut personnel costs, but the real reason is that pregnant women are impediments.

A personnel executive for a major Tokyo bank which selected 30 women as candidates for executive positions in 1988 and 1989, touching on the treatment of these female executive candidates, strikes back, "Japanese firms are formed on the basis of mutual concern between management and labor, and not on the basis of contractual relationships. Child care leave alone is not entirely the problem, but supervisors are becoming bewildered in terms of the company's customs as all other sorts of rights are demanded."

With regard to this response from a member of the business community, Ms. Hiroko Shiga, who is well-versed in the labor policies of banks, points out, "Adding young women to the work force must be treated as a valuable commodity in and of itself. They will be in place for a long time, and most should be paid salaries reflecting that. However, banks are negative towards child raising leave. Except for a certain portion of the elite, such leave is difficult to use even when a system is in place. Many companies, however, do have reemployment systems."

Caring for Aging Parents

The "benefits," which have begun to be demanded more loudly of late, does not necessarily include support for child raising. Of course, cases of new impediments are emerging.

With the introduction of the work free weekend, the working hours of the week day are being extended, and the number of women worried about meshing this with nursery school times is increasing.

In one Tokyo financial institution, the work day was extended by 20 minutes. One female bank clerk revealed that dissatisfaction among the pregnant women was smoldering, such as, "If we change out of our uniforms, we will not be able to get to the nursery school in time. In winter, we fly out the door with only our overcoats on top of our uniforms," and "The cost of extended nursery school has increased to 5,000 yen a month."

They complained to the labor union, and, as a result, negotiations were worked out so that an arrangement by which they could make individual requests to their supervisors was adopted. However, no one was brave enough to make an individual request, and the situation did not change. One of the female bank clerks says, "The number of families where the father is forced to be home first to greet the children is increasing. That may be progress, but what if someone does not want to do that?"

Businesses want to employ "women," but these are strictly women who are not bearing children or even if they do bear them, women who do not need time to look after them. To force through these selfish requirements without opposition on the basis of catch phrases like "the era of the woman" or "the era of benefits" seems to be the correct way to do things in the current situation.

Moreover, in Japanese society, which has achieved today's economic success by placing short-run efficiency above all else, the voices of a group that advocates such an irrationally different opinion tend to be drowned out. As a result, the number of women who are declaring that they "no longer need children" as a solution is increasing. These women would rather do this than voice their objections to the present system and experience great unhappiness.

Yukari Manabe (age 31), who is in charge of the management of a housing facilities equipment company, is a candidate for executive level status and is unmarried. Although smiling, she says with a hint of shame, "I do not need children, but I do not mean to make a dramatic declaration of it." She reveals, "Well, nowhere in the life of today company employee does the word 'children' enter the picture."

She leaves for work at 9 o'clock in the morning and makes the rounds of interior decorators and designers selling her company's kitchen equipment. There are about six women at her work place, which employs 100 men. She quits work around 8 o'clock in the evening on the average, but there are times when she works into the dead of night. It is an unrestricted work place.

Ms. Manabe says that at present when five-day work week system has shifted the strain to these five days, she is up to her eyeballs in work. Even if she had children, she would not be able to even see their faces five days out

of the week. Moreover, she needs one full day for her weary body to recover and the other day to put her household affairs in order. Then everything starts all over again. She has no time to contemplate her life.

This does not mean that she would not like to get married. However, she would be amazed were such a relationship to develop. A husband would not want to do any housework, and so while she might someday like such a relationship she is not earnestly seeking to become a wife.

Ms. Manabe added, "On top of that, there is the problem of taking care of aging parents." Ms. Manabe is the second of three sisters. If a parent were to get sick in the future, the eldest daughter would be forced to care for that parent. This was something that the eldest daughter could not bear alone. Since Ms. Manabe is aware that this might occur she does not want to waste time raising children that should be devoted to her career.

Ms. Manabe's mother had labored hard to assist her very old grandmother. Ms. Manabe comments, "Although you can choose whether to have children, your parents are there from the beginning and cannot be chosen. You want to do right by them in their declining years. Children and parents are not equal."

Concern for the Future of Children

In Japanese society, "the duty of a woman" was a magical expression. All sorts of burdens of life can be completely resolved if the responsibility for them is given to a female by using the expression "the duty of a woman." Just like trash being thrown into a closet in order to clean a room, Japan's way up to now may be expressed as throwing all the ordinary troubles of life upon women and applying one's extra energy to economic growth.

However, with the aging society upon us, the active use of women as a labor force is being clamored for even more. Women, in addition to handling household affairs and looking after the old, began to be expected to produce, pay taxes, and assume the burden of pensions. The capacity of the "magic" closet to accommodate is reaching its limit. Among some women who have begun to calmly calculate the limits of their own capacity to accommodate like Ms. Manabe, "self-regulation of the burdens" is in action.

Men were able to calmly withstand the actions of these working women because of the existence of housewives. However, "self-regulation" is beginning to appear among the housewives as well.

Hiroko Kimizuka (age 35) is a housewife living in Chiba Prefecture. After working as a clerk in a small company in Tokyo, she met her husband, who was working for a large company, just before she was 30, married him, and became a housewife.

Prefacing her remarks with the statement, "When you consider the situation calmly, I do not think we have the conditions present for raising children. I have discussed this with my husband, who understands." Mrs. Kimizuka went on to explain articulately her reasons for not bearing children.

(1) From an economic standpoint, raising children incurs enormous costs for their education. Even if I worked part-time, my wage would be low, so it would not make much sense. That being the case, depending on my children in the future would be inevitable. However, I do not think that the children would be strong enough to cope with this. That being the case, the best way to handle our problems is by ourselves.

(2) I think that if I had children, they would be a joy, but when I hear talk of the current examination struggles, I know that the children would have a wretched existence. Even if I tried to raise them differently, they would probably be engulfed in a peer pressure country like Japan.

(3) Having a family and staying home just because one is a woman is unbearable.

There is the physical discomfort, and in addition, though my husband is a gentle and good man, he has a difficult job and returns home late every night, and I do not think I could expect much assistance from him in raising a child.

When Mrs. Kimizuka was asked would it be all right to raise a child if her husband worked shorter hours and if there was an environment in which they could raise that child together, she thought for a bit and nodded her head in agreement.

In the "Population Vital Statistics" for 1988, which MHW put together, the number of children which a woman raises over her lifetime is 1.66 on a per capita basis. This is greatly below the 2.1 per capita required to prevent a decline in the population. In the 1989 projections, which were published at the beginning of this month, the birthrate per 1,000 persons is 10.1. As stated at the outset of this article, this continues as the lowest record over a 10-year period.

A report put together by the Child Treatment System Basic Problems Research Association of the Central Children's Welfare Council in 1989 raises "the difficulty of the coexistence of child bearing and child raising, and work" as the one major reason for the decline of the birthrate. Furthermore, the Future Forecast Research Institute held a seminar on the declining birthrate in Tokyo in the fall of last year, and forecast that the possibility was high that the birthrate would continue to decline in the future. The investigation of this research institute demonstrated that the period in which the birthrate declined rapidly coincided with a period of rising land prices. Director Shoji Yoneda pointed out, "At the same time as women are making social progress, the household incomes of households with housewives,

who can be seen as the bearers of raising children, are under great pressure as rents rise because of increases in the price of land."

This is an age in which it has become difficult to maintain a "middle-class" lifestyle without two incomes. In spite of that, the conflict of a two-income family losing time to devote to just child raising can be read from the numbers.

Yoneda went on to look doubtful and say, "Even if the birthrate declines in its current way, it is logically possible that because the pitch of this decline is so fast that it will have a great impact on the performance of many businesses, such as the automobile and wedding industries, which rely on the purchasing power of the younger generation. These businesses are likely to become sluggish to that extent."

Are We Hurting Ourselves?

This does not mean that there are not firms attempting to respond to this trend. Japan IBM began from the year before last a children's information telephone service for its employees who have children. The Telephone Information Services Company was given this enterprise which is to provide a wide range of information outside the company about housework agencies, nursery schools, maternity clinics, and hospitals, as well as baby-sitting companies. For the parent who cannot take a summer vacation because of work, this service provides a guide to summer camps to which the children can be entrusted for a long time, and subcontracts the introduction of specialist doctors who can talk over the phone first to a parent if a child suddenly appears ill, without the child going to a hospital.

The service had 1,585 users during a year period up to June of 1989. During that year, the company began to provide for employees who had to care for aging parents information on care services and consultation and facilities for nursing.

One female employee says, "This, of course, does not mean that the company takes care of everything, but I feel at ease about the point that the company is earnest about its commitment to this."

Ms. Tetsuya Saito, who is in charge of health in the company's Personnel Department, explains, "It is regrettable that excellent female employees are quitting because of family circumstances. We naturally came to consider, as a company, what we could do to eliminate these obstacles to the work of our employees." It can be said that the company has taken a realistic line of stressing available service organizations which already exist outside the company without applying an extraordinarily heavy burden on the company itself.

Ms. Yoko Nohara, who is an industrial psychology counselor well-versed in the real situation of working women in business, says scathingly about the response of Japan's major firms, "Intentions and policy differ. No

matter what sort of system is created, it is difficult to operate. Even if they employ women, they do not make an effort to create systems suitable for their employment. Their structures make it difficult, as a result, to raise children. This results in women being forced to stay home and in an outflow of personnel that the company has gone at great pains to train, an outflow like foreign capital."

In the personal experience of Ms. Nohara, there was a life insurance company which had over half of its female candidates for executive positions quit. Nevertheless, the males in the Personnel Department calmly "made allowances for this." The person in charge of a company which introduced an advanced motherhood protection system complained to a person in charge of another company that "putting in that system has made it difficult to get work done." This prevented the system from spreading to the other company.

Whether to raise children or not is a question of the utmost personal choice. Moreover, the question of whether having many children is better than having fewer children cannot be decided simply. Creating the conditions for women to work, take on the responsibility of pensions and taxes, and raise children is a task that companies cannot avoid. A "Japan Inc." that disregards long hours of work and the protection of motherhood, sweeps away "children" from the consciousness of people, and attempts to suppress even the desire of women to try to raise children may be a Japan self-destructs.

* Elderly May Exceed Young

902A0125C Tokyo ASAHI JOURNAL in Japanese
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[Article by Population Problem Research Institute Director Shigehate Kono: "The Nightmare of a Declining Birthrate Causing a Population Decline"]

[Text] The Japanese birthrate has been extremely low in recent years. "The Aggregate Special Birthrate" is the best most useful index of the birthrate. This is an aggregate of the current birthrates by female age groups and is an index which shows, over the long term, the average number of children that one woman will bear. If this figure falls below 2.1, a one for one population reproduction between the old and new generations will disappear, and unless population immigration from foreign countries is taken into account, the population will ultimately begin to decline.

Japan's aggregate special birthrate has been below 2.1 since 1974, and declined to 1.74 in 1981. Subsequently, it recovered to 1.81 in 1984, but recently it has reverted to a decline. In 1988, it reached its lowest level in history, 1.66.

Japan is not the only country whose aggregate special birthrate is below 2.0. The United States and the countries of Europe in general began falling below 2.1 several

years earlier than Japan. At present, with the exception of Eastern Europe, the only country above 2.1 among the advanced countries of the West is Ireland. More than any of the other countries, West Germany saw its birthrate fall below 1.4 in 1978, and for a time, it was 1.28. Common factors among the advanced countries in regard to their low birthrates were the surge in economic and psychic costs involved in rearing and educating children, the contrasting decline close to zero of the economic value that children possess, the increase of late marriages and divorces, and the fact that marriage, child birth, and child rearing, unlike in the past, now mean absolutely nothing to women.

In Japan's case, divorces are few, but it has been pointed out that, in addition to the costs of private study schools and preparatory schools simply for the examination struggle are straining household expenses, there is an immense psychic burden and inconvenience on the parents. Middle-class families are doing all they can to put two children through college.

Just because the aggregate special birthrate has fallen below 2.1 does not mean that the Japanese population will decline as of tomorrow. However, if a low birthrate continues as at present, the number of people dying will exceed the number of people being born, and a time will inevitably arrive when the population will start to decline.

That time is estimated to be around 2010. Furthermore, if we assume that this birthrate of 1.66 and the present death rate remain constant, then from simple calculation we find that Japan's present population of 123 million people will become a mere 45,000 people a thousand years from now.

However, this is just calculation for the sake of calculation. Birthrates are capricious, and if the social environment changes just a bit, the aggregate special birthrate will simply fluctuate from 2.1 to 1.6. In Western Europe in the latter half of the 1930's and the first half of the 1950's, the birthrate fell considerably below 2.1, but subsequently it recovered to a figure above that. Moreover, there are countries where the birthrate is rising like Sweden and Norway. Japan has not reached the end with a low aggregate special birthrate of 1.6.

That having been said, the falling birthrate is remarkable. Its natural consequence is the arrival of the super aging society.

The "Elderly" Will Make Up 50 Percent of the 21st Century's Population

Currently, the percentage of young people who have not reached the age of 15 is 20 percent of the overall population. The percentage for the elderly is 11 percent. The elderly are no more than half the number of children. In contrast, the percentage of the population in their productive years from 15-64 years old, commonly known as the active service population is 69 percent.

This is the most demographically advantageous population composition in the world.

However, the elderly are increasing as a consequence of aging, and the day will come when their population will exceed that of the young people. According to the 1986 projection of the Population Problems Research Institute, the era will arrive in the first half of the 21st century wherein the elderly will be 50 percent greater than the number of children.

In contrast, the active service population will decline. To express that effectively, the current scenario of six workers supporting one old person will change in the first half of the 21st century to five people supporting one old person. If the burden of old people becomes heavy like this, there will be no way to increase the number of children to lighten the load, even a little bit, or reducing the number of people receiving support since the elderly already exist. This would sink into the trap of a vicious circle with the birthrate declining even more.

However, what we need to consider is that just because these people are old does not mean that they are all impoverished invalids. Of particular note is that fact that partially connected with the recent rise in the price of real estate is the emergence of a class of rich old people within the elderly class as a whole, thereby giving rise to the need to differentiate them from the elderly who are extremely poor and need subsidized nursing.

Population Decline Will Cause Problems for Youth

It has been thought that if the elderly increase because of the aging of the population and the population of young people declines, the younger population will have all the advantages over the elderly population because their numbers are fewer and that the elderly will be at a comparative disadvantage. However, according to recent research in the United States by Sam Preston and others, the real situation is completely the reverse. It is the elderly who are benefiting from the aging of the population, and the young people who are getting the short end of the stick.

According to Preston, activities for youth like education are considered declining industries because of the decline in the population receiving education. Conversely, such areas as medicine, healthcare, and insurance for the elderly are becoming growth industries. For a sunset industry like education, the universities will produce no outstanding graduates because no one will be attending, the government will cut the education budget, the treatment of elementary and secondary school teachers will deteriorate, and the level of education for young people will drop. On the other hand, the pharmaceutical, healthcare, and insurance industries are booming; talented individuals are drawn to them, and government and private sector funds are in abundance.

Moreover, these sorts of growth industries will employ old people who will still be working up to almost the age of 70. Furthermore, the elderly have the right to vote and

can concentrate their senior citizen's power, whereas children do not have the right to vote. Moreover, since all the adults in their thirties and forties will become old, they cannot be expected to oppose improvements in insurance for those in their declining years.

In fact, the results of research that I recently conducted regarding Japan support the Preston effect. The economic situation of the elderly, which was relatively inferior to that of children in 1975, had taken a turn for the better in 1985. Therefore, the increase in the number of elderly is not necessarily an ill omen for the elderly.

As I have already said, when the aggregate special birthrate declines below 2.1, the population will begin to decline like that of present-day West Germany. People will probably shudder as they instinctively see one picture on top of another of the destruction of the race and the decline of civilization. If around the year 2010, the Japanese population, like the Titanic, which sank after striking an iceberg, slowly but steadily begins to decline, it would not be too difficult to imagine hysterical arguments like "national disaster has arrived" and a narrow nationalistic tenor come to the fore. Accordingly, I would like to set forth a cool, calm, and balanced case.

Be that as it may, it is clear that if the low birthrate continues, the super-aging of the society will also continue, and the population decline, the increased economic burden of the elderly, pressure on the family, and many other unpleasant side effects will rise up. Kindergarten, primary, and secondary schools will close, teachers will be unemployed, the toy and baby food industries will stagnate, the youth labor force will be in short supply, the defense forces will be hard pressed to keep complete, new ideas and creative forces will dry up, politics will turn conservative—the list goes on and on.

Of course, if the population ages, groups of wild youths will disappear, the cities will be calm, and both violent and sex crimes will decline. However, with just a cursory glance, the merits do not outweigh the overwhelming demerits of aging.

However, I would like to draw attention to the fact that a considerable number of people do not think that the aging of the population and the decline of the birthrate is all that bad for Japan. According to a survey of intellectuals which the National Land Agency conducted in 1984, the decline of the birthrate would be harmful to economic growth and the welfare of the elderly, but would be positive for land, housing, food, and pollution. Consequently, there were valid pros and cons. At that time, 1984, the environmental problems of global warming and the destruction of the ozone layer were not the major problems they are today. If a similar questionnaire were given today, the answers might be a little different.

Way To Solve the Increase in the Rate of Unmarried

Well, let us raise an area where aging demonstrates a positive effect. Although, nowadays, ability is considered

a criteria for success in business, particularly small- and medium-sized businesses, academic background and seniority are still the most influential reason for the various strata of Japanese society. I may be going too far in saying this, but it could be said that one's life is determined by which university one attends at the age of 18. Unless one attends a good university, it will be difficult to be considered as a candidate for executive position in an agency, or to be in the top layer of society.

Originally, the seniority system was designed by middle-aged people in an era in which the death rate was high. If this system goes by the wayside due to the aging population and internationalization, and if ability becomes the primary criteria for success, and those who do not attend prestigious universities are no longer considered losers, the examination hell, which is probably the greatest question for Japan, will be eliminated. According to my own personal viewpoint, were the examination struggle to become lighter, Japan's birthrate might go up.

One other bright topic is that the aged of the future will have far and away more education and specialized knowledge than at present. Their employment rate and rate of participation in leisure activities like sports will be high. Moreover, they are certainly expected to possess a disposition toward independence and self-help. If that is the case, they will be thoroughly prepared for their elderly years.

In many cases of declining birthrates, there is a close link to the rise in the status of women and their employment outside the home. However, to confine women to the home because the birthrate is low would be to reverse the course of history. Therefore, along with understanding that there can be no reversal of women working outside the home, it is recognized that many difficulties abound as we attempt to reconcile this with childrearing. MHW has taken the stance that it will attempt to improve these difficult conditions, little by little.

That is an effort that includes the improvement and expansion of the treatment of children, the improvement of nursery facilities, the strengthening of the child care leave system, and an attempt to encourage those people who might not have children to reconsider.

What I finally want to advocate is the desirability of increased social contacts between men and women so that virtually all young people will marry. In other words, there is a need to expand the opportunities for social relationships. The recent increase in the percentage of unmarried persons is remarkable. In 1965, just 19 percent of all women between the ages of 25 to 29, which is the appropriate time to give birth, were married. However, in 1985, this increased to 31 percent. If we analyze the aggregate special birthrate decline after 1980, we find that the increase in the number of unmarried men and women is the greatest factor. If they marry beyond the most appropriate age for giving birth then the

chances of becoming pregnant are less. This could mean that two people might marry and want children but be unable to have them.

On the one hand, the *miai* [social meeting of a man and woman that is arranged by others] system is becoming unpopular, and people in the capital area who prefer intermediaries are fewer. According to a 1987 childbirth study by the Population Problems Research Institute, an overwhelmingly predominant number of men and women of the ages 18 to 34 are oriented towards a love relationship. However, 49 percent of all men and 40 percent of all women have not had an intimate social relationship with the opposite sex. This situation gives cause for concern.

We should use all our resources to give men and women more opportunities to meet and socialize without stooping to commercialism to do so.

* Article Claims Prospective Labor Surplus of 14 Million

902A0132 Tokyo *EKONOMISUTO* in Japanese
6 Mar 90 pp 52-55—FOR OFFICIAL USE ONLY

[Article by Masao Yokomizo, Nikko Research Center managing director and former EPA coordination Bureau chief; first paragraph is introduction]

[Text] There is a prevailing view that the labor shortage will become a bottleneck for Japan's economy. However, the writer of this article claims that there is a prospective labor surplus of 14 million people. He bases his argument on the following:

Manpower shortages have become a big problem for today's economic activities. The ratio of effective job offers to effective job applicants has exceeded 1.0 since the third quarter of 1988. This phenomenon has appeared for the first time since the 4th quarter of 1974. The ratio of 1.3 was maintained during the preceding high economic growth period (1.32 in 1969). Reading from the conferences of the Bank of Japan's branch presidents and the manner in which the labor shortage is mentioned in monthly reports of the Economic Planning Agency, the intensity of the manpower shortage seems to be heating up.

From the macro-view, a manpower shortage implies, on one hand, a ceiling on supply, and it can be the cause of a turnaround to economic self-restraint due to the reverse acceleration principle. On the other hand, it can be a factor for inflationary wages, inviting a tight money policy which might chance a downturn of the economy.

Speaking of the outcome, I think that the former based on stock adjustment in the area of equipment capacity will not readily be the cause of a turnaround to economic self-restraint since currently Japan's equipment investment is in a moderate upturn stimulated by several other independent investment factors.

One of those independent investment factors is the on-going effort for structural change (restructuring) including regulation of the high yen, etc., since the Plaza Accord while still expanding technical innovation in information and communications. Other current factors are, for instance, a rising curve in the 10-year term construction cycle as illustrated by such large projects as the Kansai International Airport, Tokyo Teleport, Future Harbor 21, etc.

The latter was always watched with concern ever since the ratio of job offers to the job applicants started to exceed 1. However, we have not seen any outstanding rise in wage rates. Although a high wage increase is cited in the areas where drastic labor shortages are felt such as construction workers, truck drivers, part timers in some jobs, an overall wage increase has not been realized. The spring wage increase during the high economic growth period exceeded 10 percent whereas it was 5.2 percent last year, and no one knows if the wage increase will go beyond 6 percent this year. What is more, the prediction includes a regular scheduled pay raise. If this portion is deducted, it is possible that the standard average wage increase rate will not reach 4 percent. This level of increase will not mean any serious increase in the cost of wages. Such a wage increase can be described as a mild move at the time when the business return rate is just as good as it was during the high economic growth period. This demonstrates the diehard effect of the lesson learned during the second oil shock as it pertains to a wage decision in relation to inflation or job security.

Nevertheless, partial wage increases may have a far-reaching effect. With the continued urgency of the labor supply-demand, we are unmistakably carrying the seeds of inflation. Also, in reality, delays in construction work and increased mismanagement of personnel due to the labor shortage are being reported. The labor shortage is still a critical problem which needs to be watched.

By the way, as shown in Table 1, last year's rate of increase in job placements was 1.9 percent. This figure surpassed the 1.0 percent level during the high economic growth period. On the other hand, economic growth was at a level of 5 percent, only around half of the 10 percent reported during the high economic growth period. The five-year average figures shown in the upper half of Table 1, and not single year results, with the exception of the period between 1970 and 1975, show a continuous 10-percent level increase in job placements, nearly comparable to the figures during the high economic growth period. This was true although the economic growth rate was about 4-5 percent after the 1970's with a slow down in growth. What does this imply? Does this mean that we have become less effective in using people?

One factor could be an increase in the number of workers who work part time. If this assumption is correct, the increase of total work hours should be lower than the increase in the number of workers. However, as explainable by comparing Columns (2) and (3) in Table 1, the work hour increase rate has surpassed the worker

increase rate since 1975. Reviewing the figures by year, the work hour increase dipped below the worker increase rate for the first time last year [1989]. Last year was remarkable for its big increase in the number of part time workers. However, when spread over a number of years, the trend in part time work is not so distinctive.

Another conceivable factor is the service industry which makes up a larger share of the economy. It is understood that the non-physical production sector has a low productivity increase. The increase of the amount of work in the service industry requires more human labor.

Table 2 indicates changes in the percentage of workers in the tertiary industry from 1955 to 1989. It shows a 20 point climb from 38 percent in 1955 right before the start of the high economic growth to 59 percent in 1989. When reading this figure, it appears that more labor is required in order to achieve economic growth. However, looking at the change over five-year periods, we find that the tertiary industry grew at a faster tempo during the high economic growth period than in recent years. (The weight of the tertiary industry increased 4.7 percent in the 1970-75 period while, remarkably the annual worker increase rate was at its lowest during this same period.) It seems to me that the increase of the service industry is not a principal factor to explain the recent relatively high worker increase.

Therefore, let us discontinue tracing these macro-indexes, and take a closer look at the content of the economy to contemplate the labor utilization issue.

As demonstrated by the yen's purchasing power parity of about 110 yen by the export price base, almost 160 yen by the industrial goods wholesale price base (above figures were estimated by Nikko Research Center), and 210 yen by individual consumption (estimated by OECD in 1988), Japan's economy is structured to have extremely high productivity but low prices in the trade goods sector while considerably low productivity but high prices in non-trade goods sectors.

Consequently, spare labor will be found if productivity of the low productive sector can be improved, and the domestic and foreign price variation in many areas can be definitely corrected as well. From this viewpoint, I would like to examine the size of this labor surplus by comparing the industry-specific U.S.-Japan productivity, and by identifying the structural characteristics of Japan's economy.

First, let us compare U.S.-Japan labor productivity of industry-specific nominal GDP [gross domestic product]. The manufacturing industry which is virtually considered to be the trade goods sector is displayed as 100 (Table 3). A nominal value was used because the real value of the national income statistics is simply displayed by the value in a certain year (base year) but real productivity of the base year is not known and therefore the real productivity of the compared year is also not known.

The following is the crux of the comparison: (1) Electric, gas, and water business has the highest productivity both in Japan and the United States; (2) The maximum-minimum (agriculture, forestry, and fisheries in Japan, service industry in the United States) productivity differential is significantly higher in Japan than in the United States; (3) Productivity in Japan lags considerably in agriculture, forestry, and fisheries, mining, and transportation and communications; (4) Productivity in Japan excels significantly in electric, gas, and water, and financing and insurance. However, a price factor must be related in this; (5) Relative productivity differential between Japan and the United States is small in commerce and the service industry whereas the number of workers is high. Columns (2) and (3) seem to indicate the structural characteristics of Japan's economy. However, nominal productivity which compounds price and physical productivity has, after all, hidden problems. Having said that, it is still meaningful to have identified these facts.

To proceed further with my argument, let us look at changes in a fixed period of time as a next best method if it is difficult to compare U.S.-Japan industry-specific physical productivity at any particular point of time.

In order to understand the phenomenon where the wholesale price was steady while the consumer price was up over 5 percent during the high economic growth period, a new concept was presented, namely, inflation due to variation of the productivity increase rate. This, against the backdrop of the practically equalized wage increase rate by sector, justifies a certain increase in consumer spending price including the supply of agriculture and service industries with low productivity increase rates while the price is stable in the industrial sector with a high productivity increase rate (corresponding to the wholesale price) because the wage increase can be absorbed. I will apply this concept to support my argument. The period under study extends from 1970 when Japan's high economic growth ended to 1987 which is the latest year for collecting statistics.

As the deflator change rate of industry-specific GDP during that period is indicated in Columns (1) and (2) of Table 4, the manufacturing industry has the lowest increase rate both in the United States and Japan. Expectedly, it implies that the manufacturing industry has a high productivity increase rate. Price increase rate variation by industry are shown assigning 100 to the manufacturing in (3) and (4). In Japan, the service industry has the highest rate, 4.3 times more than the manufacturing industry. The spread of variation is considerably large in Japan compared to the United States where the mining industry shows the highest rate of 2.4 times. This finding suggests that physical productivity variations among industries are great in Japan.

Next, Column (5) is the calculated industry-specific price increase rate by factoring in U.S. variance, based on Japan's manufacturing industry's price increase rate of 1.9 percent. This attempts to see how the price increase

rate changes if the non-manufacturing (mining industry shows an opposite trend) sector's productivity, which shows a relatively low physical productivity increase rate compared to America, is pulled up to the level of the American model. Column (6) indicates the difference between that hypothetical projection and the real price increase rate in Column (1) while column (7) computed this into a ratio spreading over 17 years.

What it means is that if the American industry-specific productivity increase pattern was followed during the period from 1970 to 1987, the productivity of 1987 would be improved as much as the ratio indicated in (7). In other words, using the industry-specific production volume as a proposition to draw a conclusion, the number of workers in 1987 should have been reduced to a level obtained from multiplying the reciprocal of the ratio in Column (7). That reduced figure is shown in Column (9). This, in a sense, indicates a prospective surplus of workers, a total of over 14 million people reaching 25 percent of the total workers. This is a substantial number, and the labor shortage would be instantly wiped out. (Individual numeric values in this table offer glimpses of interesting characteristics, but I will stick to the main argument in this paper.)

Of course, the inference in this paper has the following problems: (1) It is based on a bold hypothesis; (2) It looks at changes in 1970 to 1987, without questioning if the U.S.-Japanese physical productivity variation would equal the possibility of underestimation particularly in wholesale and retail businesses; (3) It is estimated based on Japan's manufacturing industry's price versus productivity. However, it may be possible that this sector has an abnormally sharp productivity upturn even in the world scale, and it may be unreasonable to expect the productivity increase, as shown here from other industries, would equal the possibility of overestimation. The number, 14 million, itself may be meaningless. However, at any rate, I think we cannot deny that there is a substantive spare labor force which can be had by streamlining Japan's low productivity sector.

Giving one example, self-service gasoline stations are widespread today in the United States while in Japan a few young men dash out to an incoming car to render services such as wiping windows and filling the gas tank. Naturally, the Japanese way is more satisfactory to customers. However, living costs will inevitably go up if we continue to demand these conventional personalized services in times of a labor shortage. On one hand, the Japanese people's ignorance concerning prices will encourage such a climate. On the other hand, industry-specific public regulations which obstruct active participation of newcomers constitute a large element that keeps the low productivity sector intact.

However, at the current stage when foreign and domestic price variation is questioned and foreigners ask the economic superpower Japan to permit multisided foreign participation, there is a serious policy issue of retracting from protecting vested interests and relaxing and withdrawing various regulations.

The policy which is suggested here will bring about a major reorganization of labor allocations and require other measures to be effectively implemented such as fully programmed education and training and improved labor conditions, and it may not be instantly effective. However, I offer this one perspective on purpose, since I believe that Japan must respond to the present demand for major economic structural reform, using the labor shortage problem as a momentum.

Table 1: Economic Growth Rate & Labor Input Index Change Rate (unit: percent) (Upper half shows annual rate)

calendar year	real economic growth (1)	worker increase rate (2)	non-agricultural and forestry aggregate weekly work hours (3)
1955-1960	9.0	1.6	—
1960-1965	9.3	1.3	—
1965-1970	11.6	1.5	(1.7)
1970-1975	4.3	0.5	0.5
1975-1980	5.0	1.2	2.0
1980-1985	4.0	1.0	1.3
1985-1989	4.4	1.3	1.5
1986	2.5	0.8	1.1
1987	4.5	1.0	1.3
1988	5.7	1.7	2.1
1989	5.0	1.9	1.4

(source) (1) Economic Planning Agency, (2) and (3) Labor survey by the Prime Minister's office

(note) Column (1) in 1989 was calculated by comparing the January to September period with the same period of the previous year. Column (3) in 1965-1970 represents values obtained from 1968 to 1970

Table 2: Percentage of Tertiary Industry Workers to Total Workers (unit: percent)

year	percentage	difference from the previous period
1955	38.1	
1960	41.8	3.7
1965	44.6	2.8
1970	47.4	2.8
1975	52.1	4.7
1980	54.8	2.7
1985	56.9	2.1
1989	58.7	1.8

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Table 3: Japan-U.S. Industry-Specific Productivity Variance (1987) (manufacturing industry = 100)

Agriculture, Forestry & Fisheries	21	66
Mining	129	262
Manufacturing	100	100
Construction	70	77
Electric, Gas, Water	450	(339)
Wholesale and Retail	61	63

Financing and Insurance	141	(108)
Transportation and communications	94	(138)
Service	61	61

(source) National Economic Calculation Statistics both for Japan and the U.S. (note) 1. private sector; 2. Real estate industry was excluded because the business surplus includes imputed rents; 3. Nominal GDP/number of workers; 4. Calculation was made using American workers = Employed + Self-Employed, however, figures in () were obtained using only the employed since the self-employed category was not identified. Therefore, it may be overvalued.

Table 4: Trial Computation of Prospective Japanese Workers

	GDP deflator change rate (1970-87, annual rate)		Variation of the left (man- ufacturing = 100)		Price fluctuation rate of American model, 1.9 x (4), (5)	Price fall rate of necessities, (1) - (5), (6)	The ratio of the left over 17 years, (7)	Number of Workers in 1987, (8)	Number of cut workers, (8) - (8)/ (7), (9)
	Japan (1)	America (2)	Japan (3)	America (4)					
Agriculture, Forestry & Fisheries	4.3 percent	4.9 percent	226	114	2.2%	2.1%	1.424 times	6.727 mil- lion	2.003 mil- lion
mining	3.2	10.2	168	237	4.5%	-1.3%	0.801 times	13.7 mil- lion	-3.4 mil- lion
manufac- turing	1.9	4.3	100	100	1.9%	0%	1 times	1,468.4 million	0
Construc- tion	8.0	8.6	421	200	3.8%	4.2%	2.013 times	573.9 mil- lion	288.8 mil- lion
Transpor- tation, Communi- cations, Public Works	6.0	6.0	332	140	2.7%	3.6%	1.824 times	370.4 mil- lion	167.3 mil- lion
Wholesale and Retail	2.5	5.4	132	126	2.4%	0.1%	1.017 times	1,102.7 million	18.4 mil- lion
Financing, Insurance, Real Estate	4.6	6.8	242	158	3.0%	1.6%	1.310 times	282.6 mil- lion	66.9 mil- lion
Service	8.2	7.1	432	165	3.1%	5.1%	2.329 times	1,217.2 million	684.6 mil- lion
total	—	—	—	—	—	—	—	5,701.6 million	1,422.9 million (source) National Economic calculation statistics both for Japan and the U.S.

(note) 1. private sector; 2. Industrial Classification is slightly different from Table 3 because the GDP deflator was available

*** Labor Shortage Continues To Worsen***** Workers in Short Supply**

90240144A Tokyo AERA in Japanese
20 Mar 90 p 62—FOR OFFICIAL USE ONLY

[By editorial staff writer Kanji Okada: "Short-Handed Firm Makes Shinkansen Stop for Commuters"]

[Text] When you hear that "Shinkansen makes an emergency stop," you may very well think of a politician putting in his oar again. In this case, however—the case of the bullet train that began making a special stop at Ogori Station, Yamaguchi Prefecture last week—the culprit is a manpower shortage.

A 45-Second Extra Stop for Commuters

The Mazda main auto plant in the outskirts of Hiroshima City, currently working to increase production of its popular models, finds itself extremely short-handed. On the other hand, the Hofu plant 140 kilometers away near Ogori Station found itself in the situation of having extra workers after moving part of its production to a U.S. Mazda plant.

This led to the Mazda decision to have about 200 employees commute from Ogori by Shinkansen. There was a problem, however: there was no Shinkansen train making a stop at Ogori to bring them to the main plant in time for the morning work bell. So, Mazda officials made a request to the JR-Western Japan railway company that it arrange a special stop. This resulted in a 45-second special stop at Ogori Station. It costs Mazda an extra ¥110,000 per person in the monthly commuter's ticket but, as they say, necessity knows no law.

In the auto industry sector, Toyota earlier announced plans to set up plants in Fukuoka and Miyagi Prefectures and Hokkaido. Since its founding, Toyota has had all its assembly plants and subcontract parts factories concentrated in Aichi Prefecture, and in this way it has developed the most efficient production system in the world.

Now Toyota is changing its production method and the reason is the serious manpower shortage at its base. As far as subcontracted parts are concerned, increased production has become virtually impossible, although the situation may not be that serious with the Toyota bodies proper. The concentration of plants has backfired as far as this point is concerned.

This kind of industrial dispersion into prefectures should be welcome. But not always. The Toyo Sash Company, for instance, responded to an invitation from prefectural officials and opened a new plant near Sukagawa City, Fukushima Prefecture, only to meet a cold reception by the local chamber of commerce and industry.

When local officials began a campaign to attract enterprises three years ago, finding a job was extremely difficult for residents in this region. The business boom, coupled with new industries that have since moved in,

changed the picture completely. Local businesses has suffered as they lost employees to those in-coming industries.

What these phenomena show is the fact that the Japanese economy is about to hit the "work force ceiling." The current business upturn began amid a rapidly advancing yen appreciation and the fall in crude oil prices; consequently, prices have so far been stable. But the problem is that manpower cannot be imported (except in the case of illegally employed foreigners). The strained demand-supply situation in the labor force should be seen as a warning signal of an overheated economy.

Economy Approaching the "Work Force Ceiling"

Moreover, the labor shortage will not be solved over the short haul. The rate of increase in the number of the Japanese who can work (working-age population—namely, age 15-64) has been on the decline every year since 1988 and is expected to reach a point where there will be fewer new workers than retiring workers in about 1995.

The recruiting competition among businesses will bring about rapid improvements in the working conditions, including shorter working hours. On the other hand, there is the likelihood that wages will push up costs, causing higher prices.

Of all the changes caused by manpower shortages, the biggest—in the long-range view—could be a new awareness on the part of employees. They will most likely be pampered by employers—a factor which will contribute to laxity in labor discipline. They will be increasingly less loyal to their companies because they know that they can always find jobs in another company. These trends, already emerging, will gain momentum as time passes.

In another decade or so, Japan's company society that once was the source of the world's number one industrial power will have undergone sweeping changes.

*** Prosperity Affects Shortage**

90240144B Tokyo TOKYO SHIMBUN in Japanese
19 Mar 90 p 2—FOR OFFICIAL USE ONLY

[Report on a Labor Ministry survey]

[Text] The Ministry of Labor on 18 March released the results of a "labor and economic trends survey" dealing with the present status of enterprises' production and employment and their short-term prospects (as of 1 February).

According to the survey, production, reflecting the economic prosperity, continues to make a good showing and employment is also on the rise, with firms experiencing labor shortages reaching 58 percent in manufacturing industries, 56 percent in wholesale and retail businesses, 56 percent in restaurants, and 68 percent in service industry.

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All these figures represent a 4 to 8 percent increase over the previous survey as of November of last year respectively, making it clear that the manpower shortage has reached the highest level since the first survey in 1984.

Meanwhile, a survey of students graduating this spring whose employment has already been determined, unofficially, also indicates that although business firms are willing to hire more, the numbers of students fall short of the demands due to the work force shortage in general.

Entry Denied to 6.3 Percent Fewer People

According to a report released by the Immigration Bureau of the Ministry of Justice on 18 March, the number of foreigners who were denied entry (at sea or airports) last year decreased approximately 700 as a result of the temporary suspension of the visa exemption arrangements with Pakistan and Bangladesh. The 1989 figure was 10,404 (down 6.3 percent from 1988).

Persons denied entry were those who applied for entry but were ordered deported or who withdrew their applications for entry as a result of verbal checks by immigration officials based on the immigration and refugee status laws. Most of them were those who arrived with tourist visas but were found to be intending to work in Japan as a result of immigration checks at airports.

The announced figure includes 3,906 Koreans, 2,000 Malaysians, 793 Thais, 677 Pakistanis, and 510 Bangladeshis. The top two countries, Korea and Malaysia, account for 56.8 percent of the total.

* Worker Shortage Continues

902A0144C Tokyo ASAHI SHIMBUN in Japanese
19 Mar 90 p 3—FOR OFFICIAL USE ONLY

[Report on a Labor Ministry survey]

[Text] The Ministry of Labor made public on 18 March results of its latest survey of labor and economic trends (as of 1 February). The quarterly survey is designed to find short-term prospects of production, sales and employment. In the survey, which covered 4,100 enterprises with 30 or more regular employees, enterprises reporting a "shortage of regular workers" were 67 percent in service industry, 57 percent in manufacturing industries, and 54 percent in restaurant businesses. All these figures were the highest since the first survey in 1984, underscoring the fact that the labor shortage has become increasingly serious.

Of college students graduating this spring whose employment has already been determined, unofficially, the survey indicates that the percentage of enterprises having "secured more than 100 percent of the planned hiring" has drastically decreased in the manufacturing industries but increased in the service sector, showing an unambiguous trend of graduates "shunning manufacturing companies."

Part-time workers are also short of the demand, according to the survey. In their forecasts of what the shortage will be like in May, more enterprises in each industry feel that they will see a "heightened" shortage, compared with those expecting that it will "ease up."

* Opinions Concerning Female Workers

902A0144D Tokyo ASAHI SHIMBUN in Japanese
19 Mar 90 p 3—FOR OFFICIAL USE ONLY

[Report on an opinion survey by the Prime Minister's Office]

[Text] An opinion survey conducted by the Prime Minister's Office shows that 60 percent of those polled think that it is desirable for women who have temporarily left the work place—for such reasons as marriage and childbirth—to return to work. Results of the survey, made public on 18 March, seem to indicate that more women are job-oriented as labor environments continue to improve thanks to the law of equal employment opportunity for men and women and other factors.

The survey was conducted in October, covering 5,000 men and women who were 20 years old and older but not yet 60. Of them, 73.5 percent responded to the questions.

Answering the question about a desirable pattern of employment for women, 60 percent, the highest, voted for "finding a job, and returning to work even after a temporary retirement for such reasons as marriage and childbirth," followed by 18 percent favoring "finding a job but settling down as housewives when the time comes for marriage or childbirth," and 15 percent choosing to "find a job and continue to work for a long time."

As regards the type of work women find most desirable when they return to work, 61 percent showed their preference for part-time employment, 17 percent for full-time employment, and 11 percent for independent work. Compared with the previous survey in October 1983, those favoring part-time employment increased approximately 10 percentage points.

Responding to the question of what they find to be a barrier to the working woman, 61 percent cited "child-care," 45 percent "attending to the aged and the sick," and 25 percent "household chores" (figures including plural answers).

Concerning labor conditions or systems for working women with infants and small children who wish to remain in employment, 51 percent demanded "nursing leave to care for a sick child," 41 percent "a certain period of leave for child care," and 37 percent "better nursery facilities."

Meanwhile, regarding labor conditions for women who have old folks to look after but still wish to stay in jobs, 54 percent cited the need for "upgrading nursing homes and medical facilities for the aged," 51 percent "a certain period of leave to look after the aged," and 44 percent

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"the privilege of choosing working hours to match a time period convenient to the worker."

* Further Side Effects of Labor Shortage

* MSDF Accepts Women for Sea Duty

902A0150A Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Mar 90 p 2—FOR OFFICIAL USE ONLY

[Text] As one part of the defense strength maintenance plan for the next term, the Maritime Self-Defense Forces [MSDF] have solidified a policy which will allow female crew members to participate in sea duty on ocean-going tactical vessels, a practice which has been prohibited up until now. They have also begun to consider concrete regulations for policy implementation. They have begun discussing detailed points such as the number of female crew members and the improvement of facilities. At the earliest, they think the policy can be implemented in 1993. For the time being, female crew members will be limited to supply vessels, transport ships, and training vessels, none of which participate directly in battles. Their embarking on escort ships is a subject left for future consideration. At the same time, they plan to pursue enlargement of the present 1,000-woman organization to a 3,500-woman organization and the expansion of both the fields where females can be employed and the number of appointments.

At the present time, about 900 female sailors are serving in the Maritime Self-Defense Forces. Their jobs, however, are limited to rear line activities such as communications and maintenance. Jobs involving front line fighting has not been opened to them yet. And although there is on-board duty, it is limited to near shore traffic control duty, and that only partially.

The major reason for the opening of on-board duty on tactical vessels to females was done because of the increasing seriousness of the difficulty of recruiting new members. At present, the percentage of a full complement of members is at about 96 percent. The actual record of recruitment of new members has taken a drastic turn for the worse because of the influence of the worker shortage in the private sector engendered by the favorable economic conditions which began last year, and the mood of relaxed tension between the United States and Russia brought about by the progress made in dialogues between the two countries.

Preliminary calculations by those inside the forces revealed that the full complement percentage will fall to 90 percent by 1996 if things are left to continue as they are. In addition to severe working conditions for on-board duty, particularly regarding tactical vessels, it is necessary for crew members to be capable of handling high tech equipment. Therefore, assuring maintenance of sufficient personnel has become a pressing matter.

In the midst of this, the number of female members requesting duty on board ocean going vessels has increased in number. Since enactment of the male/

female equal opportunity employment law in 1986, demands for equality between males and females in the job fields within the forces have been strong. Therefore, the tradition of "not allowing women to board combat ships" which has been maintained since the days of the old navy has been discarded, the prohibition against on-board duty for females has been abolished, and attempting to replenish the insufficient number of crew members effectively by appointing females has been adopted.

Leading members among the Maritime Self-Defense Forces staff officers explain that "allowing female sailors to serve on board ship has already been carried out by American and British forces and such a policy is in accordance with the trend toward equality between males and females in our country." Hereafter, consideration will be given to the number of and selection standards for females. In addition, the policy of equipping vessels which are to be newly constructed with facilities which allow for on-board female duty has been adopted.

* Production Shifts to Thailand

902A0150B Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Mar 90 p 2—FOR OFFICIAL USE ONLY

[Text] In response to the worker shortage problem, Hitachi Manufacturing is going to move its production of industrial single-phase motors from Japan to Thailand. In April, they will begin production of motors to ship to Japan at their Thai factory. By 1994 they plan to discontinue production of single-phase motors in Japan completely and will consolidate their entire production of those motors in Thailand. Machining and assembly of single-phase motors is time-consuming. Therefore, it was decided that obstacles to a stabilized production system in Japan would arise because the worker shortage problem is becoming more and more severe. Since this will also be in line with the policy to increase imports to Japan, they decided on the move to Thailand. In addition to the countermeasures for the exchange and economic friction, the worker shortage problem has begun to stimulate makers into shifting their production overseas.

Hitachi Manufacturing produces 350,000 single-phase motors at its Narashino Factory (Chiba Prefecture, Narashino City) and more than 200,000 at its joint venture company, Nihon Industrial Technology (Thailand). A division of work system was used. Under that system, motors produced at the Narashino factory were destined for Japan and those produced at the factory in Thailand were destined for Thailand, Singapore, Hong Kong, and other Asian areas. Single-phase motors are not exported to the United States or to Europe.

Manufacturing of 0.4 to 0.75 kilowatt models for Japan and their export to Japan will commence in April. During 1990, 20 percent of all single-phase motors for sale by Hitachi in Japan will be switched to motors made in Thailand. The scale of production in Thailand will be

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progressively enlarged and export to Japan will be increased until 1994 when production in Japan will be discontinued. The excess personnel at the Narashino factory will be shifted to the production of high value-added factory control systems.

Included in industrial motors used for farm machinery and machine tools are three-phase motors which start up by simply connecting them to a power supply and single-phase motors which require an accessory starter. The fact that single-phase motors require a starter makes their production more time-consuming. Conversion of the land around the Narashino factory to residential zones is progressing and the problems of worker shortage

and wage increases are becoming severe. If these conditions were to continue, it was feared that a stabilized supply of single-phase motors, which are a labor-intensive product, would become difficult to obtain in the future.

Since bringing motors made in Thailand into Japan will entail an increased physical distribution cost, the manufacturing cost will be about the same as that for motors made in Japan. However, to ensure a stabilized supply system, it was decided that the only thing to do was to move production to Thailand, which has an abundant labor force.

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